



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

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Fourth District

MICHAEL D. ANTONOVICH
Fifth District

September 2, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**PROPOSED AMENDMENT TO THE REDEVELOPMENT PLAN
FOR THE BALDWIN PARK CENTRAL BUSINESS DISTRICT
REDEVELOPMENT PROJECT
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

SUBJECT

The Community Development Commission of the City of Baldwin Park (the "Commission") seeks permission from the County to refinance its Central Business District 1990 Bond, and continue to receive County deferral, as necessary, based on the current debt schedule. The October 13, 1982 Tax Allocation Agreement for the Central Business Project (the "Project") requires prior County Board of Supervisors written approval of any amendment to the Agreement.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve Amendment No. 1 permitting the Community Development Commission of the City of Baldwin Park to refinance the Central Business District 1990 Bond, and continue to receive County deferral based on the current 1990 Bond debt schedule.

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only**

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On January 20, 1982, the Commission adopted the Project, and it issued bonds in 1990. In order to take advantage of low interest rates, the Commission would like to refinance the 1990 Bonds. The bond refinance at lower interest rates would reduce the annual debt payment. The 1982 Agreement included County deferral to assist the Commission to make the debt payments. The Commission would like the County to continue to make the deferral based on the 1990 debt schedule.

Implementation of Strategic Plan Goals

This action supports Fiscal Responsibility (Goal 4) of the County Strategic Plan to strengthen the County's fiscal capacity.

FISCAL IMPACT/FINANCING

Prior to the adoption of AB 1290 in 1993, counties could negotiate pass-through payment amounts with redevelopment agencies. The October 13, 1982 Agreement between the County and the Commission includes full-pass through to the County taxing entities of 49.6 percent, and the County taxing entities do not contribute to the low- and moderate-income housing fund. For fiscal year 2006-07, the County taxing entities received approximately \$640,000 in pass-through payments from the Project, and deferred approximately \$92,000 to the Commission. This Office estimates the County deferral will no longer be needed in approximately ten years, and the Commission will begin repayment of the deferral balance at that time. With the expiration of the 1990 debt payments in 2019, the Commission will have adequate tax increment available to fully repay the County deferral well in advance of the time limit of the project in 2035.

The Commission proposes that the County continue to defer based on the amounts of the 1990 Bond schedule. While the Commission will benefit from slightly lower bond payments, there will be no fiscal impact on the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Section 4 of the 1982 Agreement states that the Agency may not amend the Agreement "without prior written approval of the County Board of Supervisors." The attached amendment will act as your Board's prior written approval.

The Honorable Board of Supervisors
September 2, 2008
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IMPACT ON CURRENT SERVICES

Amendment No. 1 will not impact current County services.

CONCLUSION

At such time as the recommendation is approved by your Board, please return one copy of this letter and Amendment to the Chief Executive Office, Community and Municipal Services Cluster, and one copy of the letter and Amendment to the Auditor-Controller, Tax Division.

Respectfully submitted,


WILLIAM T FUJIOKA
Chief Executive Officer

WTF:LS
DSP:RTM:os

Attachment

c: County Counsel
Auditor-Controller
Vijay Singal, City Manager, City of Baldwin Park

_____, 2008

FIRE PROTECTION DISTRICT

**CONSOLIDATED FIRE PROTECTION
DISTRICT**

By: _____

for P. MICHAEL FREEMAN, FIRE CHIEF

ATTEST:

SACHI A. HAMAI
Executive Officer of
the Board of Supervisors

By: _____

_____, 2008

COMMISSION

**COMMUNITY DEVELOPMENT COMMISSION
OF THE CITY OF BALDWIN PARK**

By: _____

Its: _____

_____, 2008

CITY

CITY OF BALDWIN PARK

By: _____

Its: _____

**AMENDMENT NO. 1 TO
AGREEMENT FOR REIMBURSEMENT OF
TAX INCREMENT FUNDS
(Baldwin Park Central Business District Project)**

This Amendment No. 1 to the Agreement for Reimbursement of Tax Increment Funds ("Amendment") is entered into as of _____, 2008, by and between the City of Baldwin Park (the "City"), the Community Development Commission of the City of Baldwin Park (the "Commission"), the Consolidated Fire Protection District (the "District") and the County of Los Angeles (the "County").

RECITALS

WHEREAS, the Baldwin Park Central Business District Redevelopment Plan was adopted by the City Council of the City of Baldwin Park on February 3, 1982 by Ordinance No. 832, and

WHEREAS, the Baldwin Park Redevelopment Agency (the "Agency"), the City, the County, and the District have heretofore entered into an Agreement for Reimbursement of Tax Increment Funds, dated October 13, 1982 (hereinafter the "Agreement") allocating the tax increment resulting from the adoption of the Project; and

WHEREAS, pursuant to California Health and Safety Code Sections 34100 et seq., City declared the need for the Commission and, pursuant to subsection (c) of section 34130 the Commission is vested with all the powers, duties and responsibilities of the Agency and is the Agency successor-in-interest to the rights and obligations of the Agency pursuant to the Agreement; and

WHEREAS, the Commission and the County now desire to amend the Agreement regarding the affect refinancing of the Agency/Commission bonded indebtedness will have on the deferral and payment of tax increment revenue received by the Commission.

NOW, THEREFORE, the parties amend the Agreement as follows:

1. Notwithstanding any other provisions of the Agreement:

a. the parties agree Commission (i) shall be permitted to refinance its bonded indebtedness (the "Bonded Debt") to reduce its annual bonded debt service requirement, including payments for principal and interest, on the Bonded Debt, (ii) will create an annual savings in the tax increment expenditures for that debt service ("Savings") and (iii) shall retain the Savings in the annual debt service created by the refinanced Bonded Debt.

b. the County agrees to continue, annually but only to the extent needed, to defer receipt of reimbursement of tax increment revenue in an amount equal to the Commission's annual debt service, including principal and interest, of the Bonded Debt, as set forth in the debt service schedule attached hereto as Exhibit A, after subtracting the Commission's 34.7% share of tax increment revenue the Commission would have used to pay a portion of that annual debt service.

2. Except as modified and amended by this Amendment, all other provisions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment to Agreement for Reimbursement of Tax Increment Funds as of the date first above written.

_____, 2008

COUNTY

COUNTY OF LOS ANGELES

By: _____
Chair, Board of Supervisors


ATTEST:

SACHI A. HAMAI
Executive Officer of
the Board of Supervisors

By: _____

APPROVED AS TO FORM:

Raymond G. Fortner, Jr.
County Counsel

By: 
Thomas M. Tyrrell
Principal Deputy County Counsel

BALDWIN PARK - Central Business District Redevelopment Project

ATTACHMENT 1

Actuals/Current Estimates

Fiscal Year	Total Increment	Negotiated County Share	Negotiated Fire Share	Negotiated Agency Share*	County Deferrals	Deferral Repayment	cumulative deferral	Actual Agency Share*	Cumulative Agency Share	Agency Debt	Agency Share	County Share	Net	L&M Setaside	20.0%
		48.6%	15.7%	34.7%											
1983-84	117,279	0	0	117,279	0	0	0	117,279	117,279		23,456	93,823	0	0	0
1984-85	114,415	0	14,725	99,690	0	0	0	99,690	218,969		22,893	76,807	0	0	14,725
1985-86	173,144	0	22,628	150,517	0	0	0	150,517	367,486		34,629	115,688	0	0	22,628
1986-87	296,408	0	39,884	256,524	0	0	0	256,524	624,010		59,282	197,242	0	0	39,884
1987-88	465,530	0	63,055	402,475	0	0	0	402,475	1,026,485		93,106	309,369	0	0	63,055
1988-89	490,767	225,323	71,322	194,122	0	0	0	194,122	1,220,607		98,153	95,969	225,323	71,322	71,322
1989-90	524,900	238,175	76,390	211,335	0	0	0	211,335	1,431,942		104,980	106,355	238,175	76,390	76,390
1990-91	759,123	337,287	106,762	315,074	232,158	0	232,158	547,232	1,979,173	491,839	151,825	(96,432)	105,129	106,762	106,762
1991-92	913,121	415,219	131,430	372,471	185,524	0	417,682	557,995	2,537,168	454,005	183,824	(79,834)	229,696	131,430	131,430
1992-93	1,016,815	456,336	144,445	416,034	37,971	0	455,652	454,005	2,991,173	454,005	203,363	(203,363)	418,365	144,445	144,445
1993-94	903,204	400,276	126,700	376,228	0	0	455,652	376,228	3,367,401	454,005	180,641	(258,418)	400,276	126,700	126,700
1994-95	906,565	415,878	131,639	359,049	94,956	0	550,609	454,005	3,821,406	454,005	181,313	(181,313)	320,921	131,639	131,639
1995-96	776,155	377,409	119,462	114,190	174,722	0	725,331	288,912	4,110,318	454,005	155,231	(320,324)	202,687	119,462	119,462
1996-97	820,621	400,868	126,888	292,866	165,965	0	891,296	458,831	4,569,149	458,831	164,124	(164,124)	234,903	126,888	126,888
1997-98	927,147	452,335	143,178	331,634	155,760	0	1,047,086	487,424	5,056,573	487,424	185,429	(185,429)	296,544	143,178	143,178
1998-99	788,432	387,153	122,546	278,733	215,848	0	1,262,934	494,581	5,551,154	494,581	157,686	(157,686)	171,305	122,546	122,546
1999-00	806,888	400,808	126,869	288,012	206,569	0	1,469,503	494,581	6,045,735	500,979	183,138	(169,536)	194,238	126,869	126,869
2000-01	800,374	393,359	124,511	282,504	228,910	0	1,698,413	511,413	6,557,148	511,413	160,075	(160,075)	164,450	124,511	124,511
2001-02	854,721	420,876	133,221	300,624	215,258	0	1,913,668	515,880	7,073,028	515,880	170,944	(170,944)	205,620	133,221	133,221
2002-03	959,052	472,368	149,520	337,165	187,217	0	2,100,885	524,392	7,597,410	524,392	191,810	(191,810)	285,151	149,520	149,520
2003-04	1,115,314	549,755	174,015	378,437	140,147	0	2,241,032	518,584	8,115,984	531,690	223,063	(236,169)	409,609	174,015	174,015
2004-05	1,126,875	555,749	175,912	376,804	142,574	0	2,383,606	519,378	8,635,372	537,788	225,375	(243,785)	413,175	175,912	175,912
2005-06	1,205,546	594,866	189,294	382,360	125,033	0	2,508,639	507,393	9,142,765	547,419	241,109	(281,135)	469,833	189,294	189,294
2006-07	1,324,455	653,889	206,980	384,788	91,830	0	2,600,469	476,618	9,619,383	555,406	264,881	(343,679)	582,069	206,980	206,980
subtotal	18,201,653	8,147,939	2,719,377	7,018,914	2,600,469	0	2,600,469	9,619,383	9,619,383	8,427,657	3,640,331	(2,448,604)	5,547,470	2,719,377	2,719,377
growth: 2.50%															
2007-08	1,357,566	673,353	213,138	471,076	90,768	0	2,691,238	561,844	10,181,227	561,844	271,513	(271,513)	582,584	213,138	213,138
2008-09	1,391,506	690,187	218,466	482,652	88,686	0	2,779,923	571,538	10,752,765	571,538	278,301	(278,301)	601,501	218,466	218,466
2009-10	1,426,293	707,441	223,928	494,924	84,370	0	2,864,294	579,294	11,332,059	579,294	285,259	(285,259)	623,071	223,928	223,928
2010-11	1,461,951	725,127	229,526	507,297	77,816	0	2,942,110	585,113	11,917,172	585,113	292,390	(292,390)	647,311	229,526	229,526
2011-12	1,498,499	743,256	235,264	519,979	73,821	0	3,015,931	593,800	12,510,972	593,800	299,700	(299,700)	669,435	235,264	235,264
2012-13	1,535,962	761,837	241,146	532,979	71,990	0	3,087,921	604,969	13,115,941	604,969	307,192	(307,192)	689,847	241,146	241,146
2013-14	1,574,361	780,883	247,175	546,303	67,122	0	3,155,043	613,425	13,729,366	613,425	314,872	(314,872)	713,761	247,175	247,175
2014-15	1,613,720	800,405	253,354	559,961	64,014	0	3,219,057	623,975	14,353,341	623,975	322,744	(322,744)	736,391	253,354	253,354
2015-16	1,654,063	820,415	259,688	573,960	57,465	0	3,276,522	631,425	14,984,766	631,425	330,813	(330,813)	762,950	259,688	259,688
2016-17	1,695,414	840,926	266,180	588,309	52,272	0	3,328,794	640,581	15,625,347	640,581	339,083	(339,083)	788,653	266,180	266,180
2017-18	1,737,800	861,949	272,835	603,017	48,039	0	3,376,834	651,056	16,276,403	651,056	347,560	(347,560)	813,909	272,835	272,835
2018-19	1,781,245	883,497	279,655	618,092	39,564	0	3,416,398	657,656	16,934,059	657,656	356,249	(356,249)	843,933	279,655	279,655
2019-20	1,825,776	905,585	286,647	633,544	36,450	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2020-21	1,871,420	928,224	293,813	649,383	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2021-22	1,918,206	951,430	301,158	665,617	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2022-23	1,966,161	975,216	308,687	682,758	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2023-24	2,015,315	999,596	316,404	699,314	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2024-25	2,065,698	1,024,586	324,315	716,797	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2025-26	2,117,340	1,050,201	332,422	734,717	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2026-27	2,170,274	1,076,456	340,733	753,085	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2027-28	2,224,531	1,103,367	349,251	771,912	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2028-29	2,280,144	1,130,951	357,983	791,210	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2029-30	2,337,147	1,159,225	366,932	810,990	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2030-31	2,395,576	1,188,206	376,105	831,265	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2031-32	2,455,466	1,217,911	385,508	852,047	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2032-33	2,516,852	1,248,359	395,146	873,948	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2033-34	2,579,773	1,279,568	405,024	895,181	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2034-35	2,644,268	1,311,557	415,150	917,561	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
2035-36	2,710,375	1,344,346	425,529	940,500	0	0	3,452,848	669,994	17,604,053	669,994	365,155	(365,155)	869,135	286,647	286,647
TOTAL	75,024,363	36,331,988	11,640,541	26,736,391	3,452,848	0	3,452,848	26,736,391	26,736,391	10,412,327	15,004,871	(4,680,807)	36,331,988	11,640,541	11,640,541
35.6%															
48.4%															

Notes:

* SB2557 Co. admin. and SB 211 pass through payments not included.

* Agency share net of ERAF payments

Project cap = \$25 million Agency share